

# Develop Israel with Israel Bonds

## MARGINAL COUNCIL

By ARTHUR S. GELFOND

THE British Foreign Secretary and the French Foreign Minister have now made their statements on the withdrawal of their troops from the Suez Canal Zone. Both the Conservative Government in Britain and M. Mollet's coalition in France were faced with a serious dilemma. To get out of Suez with insufficient guarantees that anything has been achieved in the Canal involves a major loss of prestige and possibly a split in the Eden Government, with its resultant upset. On the other hand, unless both countries were prepared to risk the break-up of the NATO alliance, a quick ending of the rift with the U.S. was essential. Despite hostile reactions, the feeling continues strong that such a rift is unthinkable, and that before the weaker partner is pushed to the wall, the stronger must yield, and in due course some amends will be made.

Mr. Selwyn Lloyd's statement was a saving grace as much as possible. He presented the agreement of the U.N. commander to make himself responsible for the safety of British and French salvage equipment as a point gained in negotiations and tried to give an appearance of retaining some initiative by repeating that it was the British view that Israel should withdraw from Sinai and the Gaza Strip be taken over by U.N. forces. It amounts to very little and if the Foreign Secretary emerges from the debate without too much humiliation it will be mainly because belatedly aroused instincts of self-preservation may cause the opposition to restrain itself from saying "I told you so" too loudly and plainly. In any case it is not Mr. Selwyn Lloyd who is their chosen victim—he is known to have been in the Suez Canal from the first—but the absent Sir Anthony himself.

THE rift between the U.S. and her major Western allies has been only superficially repaired at the moment, and it will not be long before the serious cracks that have been done to the cause of the West will begin to show. There is little doubt that the U.S. has gone too far in punishing Britain and France and has succeeded in damaging their prestige in the Middle East beyond repair. That they brought this trouble on themselves in President Eisenhower's view, is of no more than academic significance.

THE British and French campaign created unequalled opportunity for intervention in the Middle East for other Powers and since the landings in Suez this role has been played vigorously by the U.S.S.R. The harshness of the U.S. towards Britain and France, and the almost complete lack of understanding she showed from the beginning of the vital issues involved for France and Britain, made the Russian path very smooth. It is now difficult to see how the West's situation can be restored even when the British and French are completely isolated. The efforts to bolster Nasser will help him to prevent all supervision by the U.N. emergency force, which in any case was never willing nor strong enough to impose its will on anyone and will not be mobilized actively against Egypt by the present leadership of the U.N.

BITTERNESS between Britain and France on the one hand and the U.S. on the other has been exacerbated at the higher levels by the suspicion that American policy, though phrased in the humanitarian language of the U.N., was really directed at ousting Britain and France from the Mediterranean and taking their place there. The reason for this is not only political, but contains an element linked with oil and the ambitions of the large U.S. oil companies in supplanting the British oil interests in Persia. On the lower level it was reflected in an open anti-Americanism such as that revealed by certain British garage proprietors who, over the week-end, refused to fill the tanks of cars belonging to members of the U.S. forces. These currents are not going to make the re-orientation of U.S. and Western relations any easier. Jerusalem, December 4.

## AFTER MIDNIGHT

ANTWERP, Monday (Reuters).—About 100 Jews and 200 Muslims fought each other with knives in a dance hall brawl here last night. The police were taken to hospital where one was stayed for treatment.

## Thrifty Housewives

Not only did these quality products. When buying a cooking stove, be sure it bears the "Friedman-Jerusalem" trademark, which guarantees quick cooking, no smoke, no rust, no trouble. Big selection.

## Hungary Bars Observers, But Not U.N. Chief

UNITED NATIONS, Monday (UP).—Hungary today repeated her refusal to admit U.N. observers but said she would be willing to discuss the situation with Secretary-General Dag Hammarskjöld in Budapest, "at a later date."

The Hungarian Government sent a note from Budapest to the U.N. and 13 other countries demanding that a General Assembly resolution that the Soviet Union and Hungary agree to admit U.N. observers to Hungary not later than Friday.

"We are confronted by a demonstration of complete contempt for the provisions of the Charter and a callous disregard for human beings," U.S. Ambassador Henry Cabot Lodge Jr. told the Assembly. "It cannot be said that we pressed too hastily or that we have not given the Soviet Union and Hungary every opportunity to comply with our requests. The time has come for one final appeal, but we must set a deadline—a terminal date—for their response. We cannot permit ourselves to be fobbed off, to be stalled, or to have our resolutions utterly disregarded."

The Hungarian note insisted that the events in Hungary since October 23 "constitute exclusively the internal affairs of Hungary and do not belong to the competence of the U.N."

Meanwhile, the Kadar regime admitted tonight in Budapest that armed resistance is still going on in the provinces, and that Russian troops are engaged in Hungary in order to crush it.

The Government also admitted that Hungarians have been deported to the Soviet Union and that "many thousands of persons are still in the hands of 'counter-revolutionaries and criminals.' But it added that "when the Government was stabilized" all the persons who were deported would be returned to Hungary. The statement was made by Western correspondents by an official spokesman.

UNITED NATIONS, Monday (UP).—Cuba demanded again today that Hungary be expelled from the United Nations. U.N. Observers are not admitted to Budapest.

Cuba's Ambassador Amador Portuondo, opening the afternoon session of the General Assembly debate on Hungary, noted that the Soviet Union refused to comply with U.N. decisions.

The Cuban demand foreshadowed a formal move for expulsion of the Hungarian delegation if the U.N. is rebuffed. Earlier Argentina suggested that the Assembly order the breaking off of diplomatic relations with the Soviet Union.

No formal resolutions for expulsion of Hungary or for severing relations with the Soviet Union have been introduced yet. But the American delegation has been in the forefront of the fight to get U.N. aid to the Hungarians people have been as eloquent as Mr. Portuondo in pleading that the matter will "never be dropped by the U.N."

## Khan Yunis Council Set Up

By PAUL KOHN, Jerusalem Post Reporter

KHAN YUNIS, Monday.—This town, the second largest in the Gaza Strip, had its Municipal Council formally re-established when Mayor Abd e-Rahman Mohammed el-Farrah decorously took his seat at a festive session at the town hall this morning, exactly a month after the entry of Israeli forces. The Mayor heads a seven-man Council, which will meet weekly with the participation of the town's Military Governor, Hava-derra Y. Warshavsky.

## Soviet-Syrian Attack On Israel Feared

WASHINGTON, Monday (UP).—Israel fears a Soviet-supported attack by Syria and will welcome a U.N. investigation of war dangers between the two countries, Foreign Minister Moshe Sharett said last night.

She said her Government was considering asking the U.N. General Assembly to consider the situation before Syria's attack on Israel, which she said took place yesterday to take up an alleged "threat to Syria's safety" from Israel, Britain, France and Turkey, Israel "very much" favored U.N. investigation of the charges, she said on a television programme.

The Syrian authorities have arrested five Members of Parliament and an Israeli-born Arab Legion officer for complicity in an alleged Israeli arms plot in Syria.

The parliamentary deputies said to have supplied arms to Syrian Beduin and Druse tribes. They include Sheikh Halil E-Sror, representative of the Beduin, Fadel Hish of Jarbus, Druse representative, Adnan al Attai, representative of Hama, Adel al Ajluni, representative of Kutana, and Muntir al Ajluni representative for Damascus.

The ex-Legion officer is Col. Abd e-Rahman e-Saban, who fled to Syria after the ousting of the Legion from the Sinai desert in Egypt and is negotiating with the U.N. regarding the position in the Gaza Strip. She predicted Israel's final decision will meet the "satisfaction of the U.N."

Assurances Wanted

But Mrs. Meir indicated Israel is not willing to withdraw all her forces if the Egyptian army advances to return to "exactly where they were before" the Israeli attack. She said it would probably be the "right thing to do" for U.N. forces to remain in the area "at least until some assurance is given and implemented" that the pre-invasion situation would not be restored.

She supported a previous Israeli proposal to set up a buffer zone between Egypt and Israel but indicated it should be carved entirely out of Egyptian territory. She said there were no bases in Israel from which the Egyptians feared attack and suggested that the unpopulated Egyptian Sinai desert appeared to have been "created to be a buffer zone." It would not inconvenience anybody to make the Sinai a buffer zone, she added.

Mrs. Meir said Israel has gained its primary objective in its attack on Egypt. There are no Jewish gangs near Sinai or Gaza, she said. "There is no Egyptian army in Sinai, no bases, tanks or guns, and our boats are freely moving through the Gulf of Aqaba. That is all that we wanted."

She indicated, however, that Israel will not accept a U.N. solution that does not provide for a permanent peace settlement in the area, including Israel's right to use the Suez Canal. "I don't demand her by force," she said. "I demand that the U.N. reopening the Canal and still leaving it 'closed to one member nation.'"

## U.S. Anti-Sub Force In Mediterranean

ROME, Monday (UP).—A powerful U.S. naval anti-submarine task force, detached from the U.S. Atlantic Fleet, is in the eastern Mediterranean, sailing in waters less than 400 km. from Albania.

Although the activity of the task force off Greece waters is described as "a demonstration of anti-submarine warfare, to NATO countries," the self-proclaimed highly mobile force is present on a route which any Soviet submarine or surface ship in Albania would have to take to reach the Aegean Sea, and has been described by Italian officials as "significant."

## 1,900 Egyptian Jews in Jail; 21,000 Expelled

UNITED NATIONS, Monday (INA).—Egypt has ordered 21,000 out of her total population of 50,000 Jews to leave the country within a period of seven to 30 days, has imprisoned 1,900 Jews who are being held as hostages, and has sequestered or frozen Jewish assets amounting to more than \$100m.

These were among the facts disclosed to Secretary-General Hammarskjöld today by Foreign Minister Mrs. Golda Meir, who complained to the U.N. that Egypt is violating the Geneva Convention of 1948 for the protection of civilians in time of war, as well as the U.N. Convention on Genocide, and the Universal Declaration of Human Rights.

She said in a letter that the situation of Jews in Egypt "is a direct challenge to the moral conscience of the U.N. and the world. My Government again requests you in humanitarian interest to approach the Egyptian Government as a matter of extreme urgency and persuade it to desist from this barbaric course."

In an attached memorandum, Mrs. Meir provided more details.

About 1,000 Jews of foreign nationality have been held "under wretched physical conditions in prison in Cairo; the whereabouts and fate of some 800 individual members of deported families is not yet known; Jewish physicians have been expelled from the Egyptian Medical Association."

Mrs. Meir said that the Egyptian Government has refused to accept the U.N. Convention on Genocide, and that it has refused to accept the U.N. Convention on the Rights of the Child.

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## Pakistani Premier Raps Nasser's 'Neutrality'

LAHORE, Pakistan, Monday (UP).—Premier H. J. Durrani today attacked the "neutrality" of Abdul Nasser which he said left Egypt without Arab help during the Suez crisis.

Mr. Durrani, claiming that "adopted wrong methods" had "ruined" the Egyptian economy, found himself alone without a single Arab moving to help him.

## Britain, France to Withdraw From Suez 'Without Delay,' U.N. Told

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## Gov't, Labour Lines Closer

By GEORGE LORCHHEIM, Jerusalem Post Correspondent

LONDON, Monday.—This week's parliamentary session has seen the Government and the Opposition in a way that has not been seen for many years. The Government has been able to secure a majority in the House of Commons, and the Opposition has been able to secure a majority in the House of Lords.

## They Drive With Brakes On

PORT SAID, Monday (Reuters).—The Yugoslav army today left Port Said in a road convoy for an assembly area behind the Egyptian ceasefire lines.

The silent, unsmiling Yugoslav troops who had been aboard three ships in Port Said harbour since Thursday left the British dock area in a stream of more than 100 American-made trucks and jeeps spearheaded by Yugoslav armoured cars.

Only a few groups of Egyptian soldiers were seen as they moved out of the city. The troops sat stiffly in their trucks with their rifles and automatic weapons. They wore green forage caps and United Nations armbands and beside each man was a blue helmet of the United Nations forces.

The troops took over from the Royal Scots and the West Yorkshire Regiment who are now patrolling other parts of Port Said.

The British Embassy in Cairo has approached the Egyptian Government to allow the Dutch ship held up in the Suez Canal to leave via Port Said. It is feared that the ship will be seized by the Egyptian forces.

Most of the Port Said ships have been closed since the allied occupation.

The Yugoslav convoy, one-and-a-half miles long was repeatedly halted by breakdowns. British military officers and United Nations police were on hand to speed it on its way. One British officer said some vehicles had been driving with their brakes on.

It was the convoy about two hours to cover 15 miles of the 21 miles to their advance position near el Cap. Some of the Yugoslav vehicles had to be towed by British breakdown lorries.

The British Commander in Port Said, General Hugh Stockwell, announced today that he had received notice on six Egyptian ships in the city "inviting" them to open. He told a press conference he would probably serve notice on the ships later.

General Stockwell said the notice had been served on six selected ships serving consumer goods. He said he acted under Article 44 of the Geneva Convention which empowers him to take such action for the benefit of the city's economy and to stop black-market activities.

Most of the Port Said ships have been closed since the allied occupation.

## Americans Refused Petrol in UK

LONDON, Monday (UP).—The tabloid "Sunday Pictorial" reported yesterday that some British gasoline stations are refusing to sell fuel to American servicemen because of U.S. policy in the Middle East.

"I feel the Yanks played a big part in causing this mess," the mass-circulation Sunday paper quoted one garage operator as saying. "Now they come and ask us to sell them petrol as if we were not suffering as well as they."

American and British get the same allocation under the Government gas rationing programme which starts December 11.

## GREEKS FOR BELGRADE

ATHENS, Monday (Reuters).—Prime Minister Constantinos Karamanlis and Foreign Minister Evangelos Averoff left here by train today for Belgrade for a five-day visit to Yugoslavia during which they will hold talks with President Tito.

The Foreign Secretary said today to loud cheers from government supporters and Labour critics of "Foreign Affairs" that the Secretary-General of the United Nations "noting that an effective international force is arriving in Egypt."

The communiqué also notes that the Secretary-General "accepts the responsibility of proceedings to remove obstacles from the Suez Canal as rapidly as possible."

Magen David Adom DRAWING

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## Economic News from Abroad

**Arab Oil Losses**  
Iraq is losing Government revenue alone at the rate of \$100,000 a day as a result of the stoppage of the oil flow through Syria, which Syria has lost since the seizure of the oil fields in Iraq. The oil output at the Kirkuk fields has been reduced to a trickle and that of the Basra field in south Iraq has also been considerably reduced because of the tanker shortages. It now transpires that the damage caused to the I.P.C. pipeline was quite considerable, two pumping stations being completely destroyed, so that it will take several months to get it operating again. Since the oil industry contributed one-third of Iraq's national income, the present state of affairs cannot but have widespread economic implications. The Kuwait economy has been hit even more severely, since three-quarters of its oil has been passing through Basra and oil revenue (running at \$100m. a year) accounts for 90 per cent of the national income. In Iran and Saudi Arabia, plans for the future of oil production in the near future cannot materialize.

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Tuesday, December 4, 1956

30 Kibbutz, 31st, 32nd and 33rd

THE big majority (78 to 12) by which the New Wage Policy proposals were carried at the Mapai Central Committee cannot be taken as a guarantee that the policy will have a rough passage on its way to implementation, for its opponents included the trade union leaders of the three major cities, and the Labour left will no doubt denounce it as a betrayal of the workers' class interests. The vote is nevertheless a sign that the Mapai leadership is no longer willing to accept the whole economic problem of labour's share in labour's output. To be sure, the C-G-L linking system is to be maintained, but in a loose manner, with the allowance reviewed every six months (instead of three) and increased only if the index rises by 3 per cent, as at present. Thus all seasonal and casual factors which have so often exerted a detrimental influence hitherto by driving wages up to new heights that would then become permanent — would be eliminated, and the Government would be given a fair chance to keep prices, wages and production costs on a stable level.

This new "plateau" concept is to be emphasized by consolidating the current allowances as a part of the basic wage, to be subject to income tax (which, however, is to be modified so as to make little actual difference, leaving only the incidental future increments tax free).

Moreover, the two main indirect means of raising wages at stable prices are also to be blocked: wage agreements are to be concluded for two-year periods and the up-grading of workers is to be made conditional upon their passing examinations set by the various specialized labour authorities. Should the unions yield up the control of the labour exchange as envisaged by recent draft legislation, it would amount to a serious change in the traditional climate of industrial relations in this country. Not only but output is becoming the central issue on which the moral claim for wage increases is to be based in the future. This was brought out by another decision of the Central Committee to abolish the ceiling on the future C-G-L allowances (up to IL500 of the basic wage).

One could very well say that these steps scarcely amount to more than rectifying what has been warped by many years of automatic rises in wage rates, but this would not detract from their importance. However, Mr. Lavon, the Histadrut's new Secretary-General, has not minced words about the urgent need not only to end the persistent depletion of our economic resources, but also to start improving a situation which is untenable in the long run. While for the outside world the final campaign produced decisive proof of Israel's inherent power, its aftermath has distressingly revealed all her hidden weaknesses as well as strengthened our resolution to fortify this country's independence in the economic field.

By stopping the climb of money wages and by linking further increases of real wages to higher productivity, the scene will be set for tackling other problems, such as redundant labour, duplication of services, bureaucratic bottlenecks and centralization. If labour starts to set its house in order in earnest, it is high time for management too — both private and public — to show its mettle and to take steps to increase efficiency, reduce costs and speed up work. It goes without saying that the present juncture is altogether appropriate to this end. But this is the same as saying that there is no alternative: the time has come when we must live or perish, and the remaining time should be put to good use.

## BOOM AND BUST IN POULTRY

By Our Economic Correspondent

POULTRY breeders complain that they cannot make ends meet with the present low prices for eggs and the glut on the market. What is more, since feed grains are difficult to obtain and are therefore expensive, chickens which could still lay previous eggs are being slaughtered. We are in for another crisis in poultry breeding, but it seems to be more severe this time than in previous years.

We never could feed our chickens on home-grown grain and people were warned again and again that the increase in the number of laying hens would force us to allocate more dollars to this branch of agriculture than we could afford. But while the authorities tried to cut down on chicken breeding in old settlements, they encouraged investments in new ones. As profitability was good the hen population grew. It is now given officially as 3.5m. but it is probably higher. They yield about 500m. eggs a year. Only about a third of the requisite feed grains are grown locally. The rest, in addition to other chicken feed ingredients, have to be imported.

The grain for chicken feed came partly from surplus stocks in the U.S. and partly from other allocations. These sources are now drying up, but might be opened again. The demand for grain has been increased during recent weeks by the dockers strike in the U.S. and because of shipping difficulties. Breeders all over the country are hunting for grain. The result has been not only speculative prices but trade in grain allocations. Feed allocations are given by the Government according to past trade, and there are people who do not need the licences they get and sell them to those who do. The prices quoted for these "purchased" allocations are sometimes fantastically high.

**Slight Profit**  
Poultry breeders maintain that they make a slight profit if they get grain at official prices, but that they incur a deficit if the market price is free market prices. Imported grain costs \$70 a ton. The price in port is IL140-145 and the farmer gets it at IL180 per ton. But there are other ways of obtaining grain. There is grain which the authorities supply to farmers who grow wheat. They get 1 1/2 tons of grain for a ton of wheat. They do not need the grain they sell it, at a higher price of course. In some cases IL250 and more is paid today for a ton of grain.

For some time Israel has produced more eggs than the local market could absorb. Therefore egg producers tried to bring prices down in order to encourage consumption and some of them claim that if the whole population were able to buy all the eggs it de-

veloped, the country would be too high. But this is a wishful thinking. A large part of the population does not have the money to buy them.

**Table Four**

Another way out of the egg glut was the raising of table four, which made chicken one of the main meat proteins supplies in this country. This was possible only because in other meat was and is very expensive. In the long run it is improbable that chicken could be the meat for the masses in a poor country like Israel. The set-back of the profitable meat market came in the spring, with the discussion on the use of hormones and the ensuing drop in chicken prices. The import of American meat. When chickens are slaughtered in greater numbers because grain is scarce, a little more than four times as many as before — even in restaurants — but it will remain so only for a short time, because supply both of eggs and of table four will fall once the superfluous birds have been brought to market.

Poultry breeders tried still another means of earning the foreign currency for their exports. They tried to export a little more than four times as many as before — even in restaurants — but it will remain so only for a short time, because supply both of eggs and of table four will fall once the superfluous birds have been brought to market.

Complicated Calculation  
The chicken farmer who goes in for exports has to make a complicated calculation. One cent out of the four he can use for grain, half a cent is reckoned at IL500 a ton. The rest of the dollar and even more. With this sort of calculation he arrives at 65 pruta an egg. This does not mean a considerable profit but he must be kept up at this level.

Exports could serve two goals. First they could earn part of the dollars needed by the industry, and second, they could relieve the glut on the market. Exports of a considerable quantities of eggs for export can only be secured if the local market were satisfied with small quantities for local consumption. This is not an unreasonable demand, and in countries where exports are severely needed sacrifices are not uncommon. If we do not have enough eggs for export we might soon find that we could not even raise enough chickens for our own use because we would be unable to import enough grain.

**Root of Problem**  
This brings us to the root of the problem. The crisis which threatens the poultry breeders is not only a result of the present emergency situation, but has been simmering since last winter and has come out into the open in the last few weeks because there was a dislocation in grain imports. In view of the latest developments, however, we shall have to reconsider our allocations of foreign currency. We do not yet know the position in this most important field. But even if we only take into account the fact that fuel expenditure will be much higher than before and that international prices and expenses for shipping and insurance are soaring, it is obvious that we shall be forced to cut our foreign currency expenditure down to essentials. This will make it necessary once again to look more closely into the percentage of foreign currency taken up by various products.

Poultry breeding has developed in this country because it provided easy work and gave speedy returns for investments, and it has prospered owing to the modernization of the industry to favourable prices and to Government allocations. The attempt to earn part of the dollars needed by the industry through exports of a considerable quantities of eggs for export can only be secured if the local market were satisfied with small quantities for local consumption. This is not an unreasonable demand, and in countries where exports are severely needed sacrifices are not uncommon. If we do not have enough eggs for export we might soon find that we could not even raise enough chickens for our own use because we would be unable to import enough grain.

Washing machines 170 80  
Radio sets 150 40  
Refrigerators 600 100  
Machine Tools 2,000 4,000

(PRODUCTION AND EMPLOYMENT IN THE METAL TRADES, 1955-56)

INTERNATIONAL LABOUR OFFICE, GENEVA 1956, 121 pp. IL2.00



Motorists are shown above applying for permits under the new permit restriction regulations. In the background, the officers indicating the way on which travel is prohibited may be seen, while the map in the background indicates the division of the country into zones. Photo by Shmuel.

## REGULATING THE METAL TRADES

By DAVID KRIVINE

WHAT are our national economic objectives? To be self-sufficient, fully employed and well-off. But employment appears to be the easiest of the three tasks, but not as easy as all that. The I.L.O.'s recent study on "Production and Employment in the Metal Trades" shows that a country can enjoy a general condition of full employment and yet an individual branch of the economy can be depressed. You can take a horse to the trough, but you cannot always make it drink. Europeans want fewer bicycles these days — because they prefer motor-scooters. Raising the income of the population increases the level of demand, but not evenly. The Swiss in 1949 had a higher average income per person than the British, yet owned less cars and less radios per head. France had an average income 50 per cent higher than the West Germans, and had nearly three times the proportion of cars, but only about five per cent more radios. There is no accounting for tastes.

What then is an industrial branch like the metal trade to do in order to maintain full employment? Lower prices, raise quality, produce new models. As consumers' goods, this has been the policy over the last generation, achieved with remarkable success. There exists a saturation point for refrigerators. Eighty-six per cent of all the potential owners in the U.S. already possess them. In the refrigerator trade facing the prospect of a slump? That would be to underestimate its ingenuity. There exists a new product called the food-freezer, and only 6 per cent of the potential customers in America have that as yet.

**Prices Need Watching**  
An important part of the metal trade's output consists not of consumer but of producer goods — e.g. machine tools. Here price does not seem an important factor because any single producer item constitutes only a part of the finished product. On the other hand, prices are neglected the effect can be cumulative, as the following table shows (prices in dollars per unit produced):

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The above table is not quite fair to the machine tools industry, as it does not make allowance for quality and design, etc. But following the argument through, what happens if the price of metal producer goods remains too high? A transfer can be made to non-metal goods. Neocase can be packed in glass jars. Plastics are being used in place of brasswork, cast-iron parts, gears, wheels and pistons. Plastics are still dearer, but lighter, and nylon gears can be lubricated with water.

Actually it would seem reasonable to oppose change in the employment situation of individual economic branches. After all when electricity was invented, output of candles was reduced.

The I.L.O. recognizes this need, and tries to make change more acceptable by rendering it less painful. A splendid example of adaptation is that a considerable volume of the new plastic gears and pistons is today produced in metal trade factories.

Again there are many factors affecting demand other than price and quality. If the automobile industry can persuade the London County Council to ease traffic congestion by widening roads and building more underground parking places, they could probably effect a significant increase in car sales to Londoners. If Israel housing developments had large kitchens or bathrooms, the purchase of washing machines might be greater. If the housing programme in a given country increased, plainly there would be an augmented demand for pots and pans and other domestic equipment.

**On Its Toes**  
In other words, while a specific product can become obsolete, it is not often that a whole industrial branch becomes derelict. But the industry must be on its toes. Vocational training programmes should be adapted, states the I.L.O., so as to widen the range of skills for the worker. Thus he can easily be transferred to another occupation if the need arises. Every effort must be made to anticipate change and understand its causes and cushion its effects.

Above all the level of effective demand must be kept even, and the I.L.O. advocates the by-employment of counter-cyclical spending by the government. Here the book under review shows interestingly how this con-

## New Speed Plateau For Aircraft

JET aircraft now in production will lift civil aviation to a "speed plateau" involving cruising speeds of between 550 and 650 m.p.h., which should remain constant for at least ten years, according to A. E. Raymond, the Douglas Co. Vice-President, in view of the greatly increased productivity of the new liners and the expected huge expansion of air traffic, further increases in speed would be economically unjustified, while the maintenance of the "speed plateau" would protect expensive airlines equipment from rapid obsolescence. Current jet aircraft stand at 114 DC-8 aircraft and 113 Boeing-707 jets, amounting to about \$12.5 billion (including spares). When the "speed plateau" comes to an end, in 10 to 15 years time, aircraft may be completely revolutionized again.

## Stocks and Commodities

**Sale of Defence Bonds Begun**

THE sale of Defence Bonds began throughout the country and purchasing orders came in even before the final reading of the Defence Bonds Law at the Knesset. Since linked bonds were launched more than a year ago, IL444 million have been absorbed by the securities market. Now, out of the IL40m. Defence Bonds issue, some IL25m. have been underwritten by banks and financial institutions, from which savers and investors will acquire these bonds.

The issue of linked Defence bonds at 4 1/2% free of Income Tax, which does not have to be included in the Income Tax return, caused, as was to be expected, a drop in the price of other linked securities. The main sufferers were Palestine Electric bonds, which until now were the only ones with the privilege of not including the interest receipts in income tax returns. Keren Hayesod, Igrot and Ramco also suffered from a slight set-back. In a number of instances prices went below their par value if one takes into consideration accrued interest and C.O.L. index rise.

More settled conditions in this section were apparent on Sunday and the downward spiral appeared to have been stopped. In the industrial section prices were also 2-3 points lower.

**Wall Street Rallying**

AFTER a long period of decline, which brought prices on Wall Street more than 60 points off last April's peak, a firmer tone was evident at the weekend, with the Dow Jones Industrial Average up 10 points, against 467.91 last week.

**Oils Recovering**

REUTERS' Daily Index for Oil-recovered was 73.5 as against 72.5 last week, while industrial stood at 180.2 against 178.4 earlier in the week, as against 180.7 last week.

**Paris Gold Lower**

THE slight improvement in the international political situation coupled with some profit-taking sent prices lower on Friday. Gold shares were under-pressed, while copper remained firm.

Reuters' Daily Index for Gold-edged was 73.5 as against 72.5 last week, while industrial stood at 180.2 against 178.4 earlier in the week, as against 180.7 last week.

**London Brighter**

WITH the apparent change of attitude in the Middle East situation, a brighter tone prevailed on the London Stock Exchange at week's end. There was a considerable recovery in oils w.c.2. British Petroleum up to 6 shillings and more on Friday. Gilt-edged, on the other hand, remained quiet with 3 1/2% War Loan down to its all-time low of \$19.60.

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